



***Congressman Edolphus Towns***  
***Frequently Asked Health Care Reform Questions***

***Will a mandate forcing employers to provide health insurance hurt small businesses? Will the government plan shift costs to employers?***

The mandate for employers to provide health insurance will help small businesses to provide much needed health care to their employees. In addition, small businesses whose net income is less than \$500,000 in the House Bill or who have less than 25 employees in the Senate bill will be exempt from any penalties for not providing coverage. Either provision, when combined with the small businesses who are already providing insurance to their employees will lead to >95 percent exemption for small business.

Those firms that are exempt from penalties and are not currently providing health insurance will be eligible to receive sliding scale tax credits for every low-income employee they provide with health insurance. The cost of coverage will remain a shared expense by both the employer and the employee.

***Will I lose my current employer-based health insurance if a government-run option passes through Congress? Can I keep my current healthcare plan?***

No, you will not lose your current employer-based health insurance if a government-run option passes through Congress. As a matter of fact, both bills allow for Americans to maintain their current private coverage even if they change or lose their jobs. So, yes, you can keep your current health insurance plan.”

***How will the bill affect Medicare and Medicaid?***

The current version of the House of Representatives Tri-Committee Health Reform bill, *America’s Affordable Health Choices Act of 2009*, contains provisions that will improve both Medicare and Medicaid. The changes are numerous and some highlights are below:

**Medicare:**

- Expands covered preventative services and eliminates patient co-pay requirement for these services.
- Provides for assessments of how diseases and conditions are handled by Medicare and funds research into such diseases and conditions that utilize the most resources.
- Changes the payments for hospitalization and post-acute care so that they promote quality, collaboration and accountability and do not solely encourage quantity.

- Rewards health care providers who take an active part in coordinating with other providers for their common patient's care.
- Protects rural providers to ensure access to care in rural areas.
- Improves access to mental health services.
- Increases funding and the government's ability to fight against waste, fraud and abuse in the system.
- Improves care to patients with limited proficiency in the English language.
- Improves low-income subsidy programs.
- Fills the "donut hole" gradually over time with policy changes in combination with the pharmaceutical industry's donation of \$80 billion dollars over 10 years. The term "donut hole" refers to the high shared cost of prescriptions our senior citizens and other Medicare beneficiaries have to pay after they reach a preset amount of spending. Many times, a patient's prescription drug expenses can drastically change once this limit has been reached (e.g. Costs may increase from \$90/month to \$400/month or more.). This can be a nightmare for someone who lives on a fixed retirement budget.

#### **Medicaid:**

- Expands the program to cover more poverty stricken Americans in both rural and urban areas.
- Expands the number of covered preventative services and eliminates patient co-pay requirement for these services.
- Covers health care services provided by school-based health clinics.
- Medicaid payments which, broadly speaking, usually reimburse primary care health providers only 60 percent of the total cost of providing care, will gradually increase to fully reimburse them for the provision of preventative and other services.
- Increases funding and the government's ability to fight against waste, fraud and abuse in the system.
- Improves care to patients with limited proficiency in the English language.
- Allows optional coverage of low-income HIV-infected individuals.
- Expands the number and types of places a person can apply for Medicaid coverage to improve enrollment for those who are eligible.
- Expands all provisional Medicaid changes to the Children's Health Insurance Program (CHIP).
- Starts a *Medical Home* pilot program for the Medicaid patients with the highest need to improve centrally coordinated care and health care outcomes over a 5-year period.

***Will a government health care system run private insurance out of business? Will private insurance be able to compete with the low cost of a public option?***

No, government reform of the health insurance system will not run private insurance companies out of business. However, it will pressure private insurers to lower the cost to the consumer to reduce the astronomical growth of health care premiums from increasing a predicted 94 percent

over the next decade and maybe even reaching the 119 percent increase we saw over the last decade<sup>1</sup>.

Yes, private insurers will be able to compete with the lower costs of a public or similar government run or backed option. However, many of the money making abusive practices that private insurers take part in will have to cease. This will hopefully lead to private insurers not primarily focusing on making a profit for their share holders but on how best to efficiently provide quality, affordable health insurance to their consumers which is what they should have been doing the whole time.

1. [http://www.commonwealthfund.org/~media/Files/Publications/Data%20Brief/2009/Aug/1313\\_Schoen\\_paying\\_the\\_price\\_db\\_v3\\_resorted\\_tables.pdf](http://www.commonwealthfund.org/~media/Files/Publications/Data%20Brief/2009/Aug/1313_Schoen_paying_the_price_db_v3_resorted_tables.pdf). Accessed on September 1, 2009.

### ***How will the bill help people with mental health disorders receive treatment?***

I am pleased that you posed this question as this issue is near and dear to my heart given my previous career as a social worker. Current amendment language within the House of Representatives Tri-Committee Health Reform bill, *America's Affordable Health Choices Act of 2009*, expands and clarifies the language so that it is clear mental health and substance abuse services are covered in the essential benefits package. It clarifies that people in the individual health insurance market are covered by the recent Mental Health Parity Law as well as improves access to mental health services under Medicare.

***“How are you making sure that this proposal does not raise my taxes and doesn't ration my care? And, more of a question about current care or lack thereof...”***

The House of Representatives Tri-committee has designed its health insurance reform bill, *America's Affordable Health Choices Act of 2009*, to make sure the cost of the reforming health insurance is completely covered and therefore is not ***directly*** transferred to the American taxpayers. The bill proposes several changes to the current system that will improve the quality and contain the cost of healthcare including: simplifying health insurance administration; limiting annual insurance premium increases; streamlining provider payments to emphasize quality and not quantity and reducing waste, fraud and abuse in Medicaid and Medicare as well as many other initiatives. With these improvements, approximately half the cost of the plan will be financed through savings from Medicaid and Medicare program changes. The remainder of the plan will be financed by a sliding scale surcharge on families whose income is in the top 1.2 percent of taxpayers in the country with the majority of the money coming from families whose adjusted gross income is \$1 million dollars or more. This means that the majority of Americans will not have to pay for this initiative.

To answer the second part of your question, no, the health care you are currently receiving will not be rationed. Again, our focus is to streamline the current health insurance system so that the focus is on keeping you healthy by incentivizing paying health care practitioners for providing quality health care instead of the quantity of health care services they provide to you.

I want you to know that I am fighting to keep these fair and equitable provisions in the bill and will vote only for legislation that improves our current health insurance environment.

***“My question is: My friend needs care of this particular doctor but her current insurance does not allow her to see him. What is she to do?”***

It sounds like your friend is in a difficult, but unfortunately common situation. This particular issue deals with the problem of both private and government insurance plans (Medicare and Medicaid) being able to recruit enough physicians from the various primary care and sub-specialties so that patients are able to obtain health care in a reasonable amount of time. In the current version of the House health reform bill, *America’s Affordable Health Choices Act of 2009*, there are provisions that will expand the primary care physician work force as well as improve their pay structure. Unlike many other industrialized nations, the U.S. has more specialists than primary care doctors. This makes it harder to find a doctor for the most basic care but easier to find one for specialized care.

For the time being, I suggest that your friend discuss this matter with her insurance provider. If she cannot resolve the issue then please have her contact one of my offices and my staff will help her with researching the next best step to take to deal with this issue. Thank you for your question and time.

*Health Care reform will be pivotal legislation for this legislative session. Congress is ever concerned about the costs of the bill and is committed to make sure that while access is expanded and a competitive health insurance market is achieved, costs are kept as low as possible to the consumer on both the tax and cost side.*